

House File 2293 - Introduced

HOUSE FILE _____
BY FOEGE

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act providing a small business qualified wellness program tax
2 credit and providing a retroactive applicability date.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 5870HH 82
5 pf/nh/14

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1 1 Section 1. NEW SECTION. 135.27A SMALL BUSINESS QUALIFIED
1 2 WELLNESS PROGRAM CERTIFICATION.
1 3 1. The department shall adopt rules for the small business
1 4 qualified wellness programs that are eligible for a tax credit
1 5 pursuant to section 422.11V, section 422.33, subsection 25,
1 6 and section 422.60, subsection 15. The rules shall provide
1 7 for all of the following:
1 8 a. The minimum standards for use by a small business in
1 9 establishing a qualified wellness program to improve the
1 10 health of employees of the small business.
1 11 (1) The minimum standards shall include a requirement that
1 12 a qualified wellness program provide measurable positive
1 13 health outcomes for employees.
1 14 (2) The minimum standards shall also include but are not
1 15 limited to all of the following:
1 16 (a) Provision of a smoking cessation program that covers
1 17 all United States food and drug administration-approved
1 18 cessation treatments and cessation counseling through direct
1 19 payment, reimbursement, or purchase of suitable insurance
1 20 riders.
1 21 (b) Provision of a program for employees to obtain a
1 22 regular health risk assessment and to adhere to a treatment
1 23 program designed to address health risk factors including but
1 24 not limited to cholesterol levels, triglyceride levels, or
1 25 blood pressure levels that are outside of the ranges
1 26 recommended by the centers for disease control and prevention
1 27 of the United States department of health and human services.
1 28 (3) The minimum standards may include any of the
1 29 following:
1 30 (a) Provision of programs that target the prevention of
1 31 onset of disease including but not limited to immunizations
1 32 and promotion of physical activity.
1 33 (b) Provision of programs that target identification of
1 34 disease and the treatment of disease following the onset of
1 35 disease including but not limited to mammography, colonoscopy,
2 1 medication adherence programs, and disease management
2 2 programs.
2 3 b. Criteria and a process for certification of a small
2 4 business qualified wellness program including:
2 5 (1) An application process for small businesses to submit
2 6 a description of the small business's wellness program to the
2 7 department for certification.
2 8 (2) A review process and the criteria to be used in
2 9 evaluating a small business's wellness program to determine
2 10 whether to certify the program as a qualified wellness
2 11 program.
2 12 (3) The certification document, verifying a wellness
2 13 program as a qualified wellness program.
2 14 2. If the department determines that a small business
2 15 wellness program is a qualified wellness program, the
2 16 department shall send the certification document to the small
2 17 business as verification.
2 18 3. The department may charge a reasonable fee for the
2 19 application and certification processes.
2 20 Sec. 2. NEW SECTION. 422.11V SMALL BUSINESS QUALIFIED

2 21 WELLNESS PROGRAM TAX CREDIT.

2 22 1. a. The taxes imposed under this division, less the
2 23 amounts of nonrefundable credits allowed under this division,
2 24 shall be reduced by a small business qualified wellness
2 25 program tax credit for the cost to a small business of
2 26 providing a qualified wellness program. The amount of the
2 27 credit for each employer equals fifty percent of the program
2 28 costs, not to exceed an amount equal to three hundred dollars
2 29 per year per employee.

2 30 b. For purposes of this section:

2 31 (1) "Qualified wellness program" means a wellness program
2 32 certified by the department of public health pursuant to
2 33 section 135.27A.

2 34 (2) "Small business" means a for-profit enterprise that
2 35 employed for at least fifty percent of the working days of the
3 1 employer, at least two but not more than one hundred employees
3 2 during the tax year.

3 3 c. If the credit provided under this section exceeds the
3 4 taxpayer's state tax liability, the excess may be carried
3 5 forward to succeeding taxable years and used as a credit
3 6 against the taxpayer's state tax liability during those
3 7 taxable years.

3 8 2. An individual may claim a small business qualified
3 9 wellness program tax credit allowed a partnership, limited
3 10 liability company, S corporation, estate, or trust electing to
3 11 have the income taxed directly to the individual. The amount
3 12 claimed by the individual shall be based upon the pro rata
3 13 share of the individual's earnings of the partnership, limited
3 14 liability company, S corporation, estate, or trust.

3 15 3. A taxpayer claiming a credit under this section shall
3 16 not be precluded, in computing taxable income, from deducting
3 17 the amount of costs for providing a wellness program allowed
3 18 under any section of the Internal Revenue Code.

3 19 4. To receive the small business qualified wellness
3 20 program tax credit, a small business must submit an
3 21 application to the department accompanied by a certificate
3 22 received from the department of public health verifying the
3 23 small business's wellness program as a qualified wellness
3 24 program. If the taxpayer meets the criteria for eligibility,
3 25 the department shall issue to the taxpayer a certification of
3 26 entitlement for the small business qualified wellness program
3 27 tax credit. The certification must contain the taxpayer's
3 28 name, address, tax identification number, the amount of the
3 29 credit, and tax year for which the certificate applies. The
3 30 taxpayer shall file the tax credit certificate with the
3 31 taxpayer's tax return in order to claim the tax credit. The
3 32 department, in cooperation with the department of public
3 33 health, shall adopt rules to administer this section.

3 34 Sec. 3. Section 422.33, Code Supplement 2007, is amended
3 35 by adding the following new subsection:

4 1 NEW SUBSECTION. 25. The taxes imposed under this division
4 2 shall be reduced by a small business qualified wellness
4 3 program tax credit, provided for in section 422.11V. The tax
4 4 credit shall be subject to the same conditions, requirements,
4 5 and dollar limitations as provided for in section 422.11V.

4 6 Sec. 4. Section 422.60, Code Supplement 2007, is amended
4 7 by adding the following new subsection:

4 8 NEW SUBSECTION. 15. The taxes imposed under this division
4 9 shall be reduced by a small business qualified wellness
4 10 program tax credit, provided for in section 422.11V. The tax
4 11 credit shall be subject to the same conditions, requirements,
4 12 and dollar limitations as provided for in section 422.11V.

4 13 Sec. 5. RETROACTIVE APPLICABILITY DATE. This Act applies
4 14 retroactively to January 1, 2008, for tax years beginning on
4 15 or after that date.

4 16 EXPLANATION

4 17 This bill provides a small business qualified wellness
4 18 program tax credit under the individual and corporate income
4 19 taxes and the franchise tax.

4 20 A small business is a for-profit enterprise that employed
4 21 for at least 50 percent of the working days of the employer,
4 22 at least two but not more than 100 employees during the tax
4 23 year. The amount of the credit equals 50 percent of the costs
4 24 of the qualified wellness program, not to exceed an amount
4 25 equal to \$300 per employee. Any excess credit may be carried
4 26 forward to succeeding tax years.

4 27 The bill directs the department of public health to adopt
4 28 rules specifying the requirements for a qualified wellness
4 29 program and to provide for certification of small business
4 30 qualified wellness programs.

4 31 The bill applies retroactively to January 1, 2008, for tax

4 32 years beginning on or after that date.
4 33 LSB 5870HH 82
4 34 pf/nh/14